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06/07/2000

Kerimcan Engin

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MICHAEL K. LINDSEY
GAVRILOVICH, DODD & LINDSEY, LLP
3303 N. SHOWDOWN PL.
TUCSON, AZ 85749

EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT

PAPER NUMBER

3692

DATE MAILED: 12/08/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/589,253

Applicant(s)

KERMICAN, ENGIN ET AL.

Examiner

Narayanswamy Subramanian

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 October 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 11-17, 19, 20 and 25-32 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 11-17, 19, 20 and 25-32 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This office action is in response to applicants' communication filed on October 25, 2006. Amendments to claim 15 have been entered. Claims 11-17, 19, 20 and 25-32 are currently pending in the application and have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3. Claims 11-17, 19, 20 and 25-32 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Independent claim 11 recites the limitations "means for allowing an investor to subscribe to the investment strategies", "means for permitting the investor to enter, by way of the computer network, one or more investor-defined management weights" and "means for allowing the investor to accept, reject, or modify each of the trade recommendations of the weighted portfolio of trade recommendations through the computer network to produce a sequence of customized trade recommendations". It is not clear as to what the outcomes of these limitations are. Specifically the metes and bounds of the limitations "allowing" and "permitting" are not clear. For instance "means for allowing an investor to subscribe to the investment strategies" is not a positive limitation because it does not require an investor to subscribe to the investment strategies but only requires the ability to do so. The results of performing these acts are not clear and hence the metes and bounds of these limitations are unclear. Hence the metes and bounds of

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these limitations are not clear rendering the claims indeterminate. Similar ambiguities are present in claims 29-30. Similarly independent claim 15 recites limitation “providing an investor-accessible search utility” whose metes and bounds are not clear. The result of performing the act of providing an investor-accessible search utility is not clear and hence the scope of the claim is unclear. The claim also recites limitations such as “subscribed investment strategies”, “delivering the weighted portfolio” and “selected subset of trade recommendations” which lack antecedent basis because the acts of “subscribing to investment strategies”, “generating a weighted portfolio” and “selecting a subset of trade recommendations” have not been positively recited. Similarly claims 31-32 contain ambiguities such as “providing an interface for allowing the investors to perform a function. The results of performing these acts are not clear and hence the metes and bounds of these limitations are unclear. Claims 11-14, 16, 17, 19, 20 and 25-32 are rejected are rejected for the same reason and by way of dependency on a rejected independent claim. Appropriate clarification/correction is required.

The art rejections below are interpreted in the light of the 35 USC 112, second paragraph rejections above.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 11-17, 19, 20 and 25-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ray et al. (US Patent 6,018,722) in view of Beaulieu et al. (US Patent 5,502,637) and further in view of Luskin et al. (US Patent 5,812,987)

Claims 11, 25 and 26, Ray teaches a system for providing investment advice to investors over a computer network, comprising means for permitting the investor to enter one or more investor trade recommendations based on an investor-defined strategy and means for submitting trade recommendations to a brokerage account for execution (See Ray Claims 1 and 5) The trade type and price type are inherent in the disclosure of Ray.

Ray does not explicitly teach the means for receiving a plurality of investment strategies from a plurality of investment advisors; the means for allowing an investor to subscribe to at least one of the investment strategies; means for permitting the investor to enter, by way of the computer network, one or more investor-defined management weights; means for allowing the investor to accept, reject, or modify each of the trade recommendations of the weighted portfolio of trade recommendations through the computer network to produce a sequence of customized trade recommendations; and means for permitting the investor to enter, by way of the computer network, one or more investor trades based on an investor-defined strategy, each of the investor trades specifying a financial instrument and terms necessary for trading the financial instrument in a respective financial market. However as discussed in the 112, second paragraph rejection above “the means for allowing an investor”, “means for permitting the investor”, “means for allowing the investor” to perform certain functions is interpreted as intended use claim limitations that may not distinguish over prior art. For instance “means for allowing an investor to subscribe to the investment strategies” is not a positive limitation because it does not require

an investor to subscribe to the investment strategies but only requires the ability to do so. Also the limitations “to subscribe to the investment strategies” “to accept, reject, or modify each of the trade recommendations of the weighted portfolio of trade recommendations through the computer network to produce a sequence of customized trade recommendations” and “to enter, by way of the computer network, one or more investor trades based on an investor-defined strategy, each of the investor trades specifying a financial instrument and terms necessary for trading the financial instrument in a respective financial market” are interpreted as an intended use limitations and hence not given patentable weight.

Beaulieu teaches the means for receiving a plurality of investment research from a plurality of investment advisors (See Beaulieu Column 3 lines 24-27) and the means for subscribing to at least one of the investment strategies by an investor (See Beaulieu Column 3 lines 30-34). The investment research is interpreted to include investment strategies including a plurality of trade recommendations and the entitlement lists imply investor subscribing to at least one of the investment strategies.

It would have been obvious to one with ordinary skill in the art at the time of the current invention to combine the steps taught by Beaulieu to the invention of Ray. The combination of the disclosures taken as a whole, suggests that investors would have benefited from having the option of choosing from several investment strategies in one shot without having to subscribe to each of them separately thereby saving time and expenses. The investment advisors would benefit from the fact that only authorized subscribers are getting their recommendations.

Ray fails to explicitly teach trade recommendations that specifies a financial instrument and terms necessary for trading the financial instrument in a respective financial market; means for applying investor-defined management weights to the investment strategies.

Luskin teaches the means for applying investor-defined management weights to investment strategies to generate and deliver a weighted portfolio of trade recommendations the management weights defining the percentage of investor portfolio funds available for investing in the investment strategies (See Luskin Abstract, Figures 6-9, Column 7 line 65 - Column 8 line 19, Column 11 line 11 - Column 12 line 12). The strategic and tactical strategies are the investment strategies that are weighted and the step of purchasing or disposing assets includes the step of specifying a financial instrument and terms necessary for trading the financial instrument in a respective financial market. For instance bonds are traded in the bond market and futures in the Futures market.

It would have been obvious to one with ordinary skill in the art at the time of the current invention to combine these steps to the disclosure of Ray. The combination of the disclosures taken as a whole, suggests that investors would have further benefited from being able to update the portfolio based on changing economic outlook, which in turn affects the recommendations.

Claim 12, Ray teaches a system of claim 11, wherein the at least one of the advisory strategies includes investment preferences and other information (See Ray Column 5 lines 1-29) Investment preferences and other information are interpreted to include at least one parameter selected from the group consisting of an initial investment amount, a recommended minimum investment, a tradable financial instrument, a set of allowed position types, and restrictions on cash transactions.

Claim 13, Ray teaches a system of claim 11, further comprising means for executing a plurality of trade transactions based on the trade recommendations (See Ray Claim 1 and Column 10 lines 13-16).

Claim 14, Ray teaches a system of claim 11, further comprising means for updating the advisor strategies at predetermined intervals (See Ray Column 9 lines 1-8). Once daily is interpreted to include predetermined intervals.

Claim 15, 27 and 28, Ray teaches a method of providing investment advice to an investor, comprising assigning a risk/return measure to each of investment strategies and maintaining a portfolio for the investor, the portfolio defining a plurality of customized trade recommendations. (See Ray Claims 1 and 5). The trade type and price type are inherent in the disclosure of Ray.

Ray does not explicitly teach the steps of receiving a plurality of investment strategies from a plurality of investment advisors; using a strategy client database to maintain a subscription to one or more of the investment strategies for the investor; receiving from the investor, by way of the computer network, one or more investor-defined management weights, the management weights defining a percentage of investor portfolio funds available for investing in each of the subscribed investment strategies; applying the investor-defined management weights to subscribed investment strategies to generate a weighted portfolio of trade recommendations; delivering the weighted portfolio to the investor over the computer network during a trade recommendation distribution period; providing an investor-accessible search utility, via the computer network, for selecting a subset of trade recommendations from the weighted portfolio based on a risk measure; receiving from the investor, through the computer

network, an acceptance, rejection, or modification of each of the trade recommendations included in the selected subset of trade recommendations; producing a sequence of customized trade recommendation based on the received investor acceptance, rejection, or modification of each of the trade recommendations included in the selected subset of trade recommendations; receiving from the investor, by way of the computer network, one or more investor trades based on an investor-defined strategy, each of the investor trades specifying a financial instrument and terms necessary for trading the financial instrument in a respective financial market; and submitting the sequence of customized trade recommendations and the investor trades to a separate investor brokerage account for execution. However as discussed in the 112, second paragraph rejection above “providing investor-accessible utility”, “to maintain a subscription to one or more of the investment strategies for the investor”, “to generate a weighted portfolio of trade recommendations” and “for selecting a subset of trade recommendations based on a risk measure” are interpreted as intended use claim limitations that may not distinguish over prior art.

Beaulieu teaches the steps of receiving a plurality of investment reports from a plurality of investment advisors (See Beaulieu Column 3 lines 24-27) and using a strategy client database to maintain a subscription to one or more of the investment strategies for the investor (See Beaulieu Column 3 lines 30-34). The investment research is interpreted to include investment strategies including a plurality of trade recommendations and the entitlement list imply a strategy client database to maintain a subscription to one or more of the investment strategies for the investor.

It would have been obvious to one with ordinary skill in the art at the time of the current invention to combine the steps taught by Beaulieu to the invention of Ray. The combination of

the disclosures taken as a whole, suggests that investors would have benefited from having the option of choosing from several investment strategies in one shot without having to subscribe to each of them separately thereby saving time and expenses. The investment advisors would benefit from the fact that only authorized subscribers are getting their recommendations.

Ray fails to explicitly teach trade recommendations that specifies a financial instrument and terms necessary for trading the instrument in a respective financial market; applying investor-defined management weights to the investment strategies; customize the portfolio based on trade recommendations and tailor the portfolio based on investor-specified attributes.

Luskin teaches the means for applying investor-defined management weights to investment strategies to generate and deliver a weighted portfolio of trade recommendations the management weights defining the percentage of investor portfolio funds available for investing in the investment strategies (See Luskin Abstract, Figures 6-9, Column 7 line 65 - Column 8 line 19, Column 11 line 11 - Column 12 line 12). The strategic and tactical strategies are the investment strategies that are weighted and the step of purchasing or disposing assets includes the step of specifying a financial instrument and terms necessary for trading the financial instrument in a respective financial market. For instance bonds are traded in the bond market and futures in the Futures market. Luskin also teaches the steps of customizing the portfolio based on trade recommendations and tailor the portfolio based on investor-specified attributes (See Luskin Column 4 lines 11-25). The steps of customizing the portfolio based on trade recommendations and tailor the portfolio based on investor-specified attributes are interpreted to include an acceptance, rejection, or modification of each of the trade recommendations of the weighted portfolio of trade recommendations and producing a sequence of customized trade

recommendations and receiving from the investor one or more investor trade recommendations based on an investor-defined strategy. The step of submitting the sequence of customized trade recommendations and the investor trades to a separate investor brokerage account is old and well known in the art of trading.

It would have been obvious to one with ordinary skill in the art at the time of the current invention to combine these steps to the disclosure of Ray. The combination of the disclosures taken as a whole, suggests that investors would have further benefited from being able to update the portfolio based on changing economic outlook, which in turn affects the recommendations.

Claim 16, Ray teaches a method of claim 15, further comprising providing the plurality of trade recommendations to a brokerage account (See Ray Column 9 line 65 - Column 10 line 16).

Claim 17, Ray teaches a method of claim 16, further comprising executing a plurality of trades based on the trade recommendations. (See Ray Column 10 lines 13-16).

Claim 19, Ray teaches a method of claim 15, further comprising updating the strategy trade recommendations at predetermined intervals (See Ray Column 9 lines 1-8). Once daily is interpreted to include predetermined intervals.

Claim 20, Ray teaches a method of claim 15, further comprising synchronizing information contained in the portfolio with a brokerage account (See Ray Claim 9).

Claims 29-32 Ray does not explicitly teach the steps of providing an interface, by way of the computer network, for allowing the investor to compare historical or projected returns of the investment strategies; providing an interface, by way of the computer network, for allowing the investor to select one or more of the investment strategies based on the comparison of historical

or projected returns; and providing an interface, by way of the computer network, for allowing the investor to subscribe to the selected investment strategies; and providing an interface, by way of the computer network, for allowing the investment advisors to define and store initial parameters for each of the investment strategies, wherein the initial parameters include an initial investment amount, a recommended minimum investment amount, a tradable financial instrument set and allowed position types. However as discussed above the limitations above “providing an interface”, “allowing the investor”, to perform certain functions are interpreted as intended use claim limitations that may not distinguish over prior art. For instance “providing an interface, by way of the computer network, for allowing the investor to compare historical or projected returns of the investment strategies” is not a positive limitation because it does not require an investor to compare historical or projected returns of the investment strategies but only requires the ability to do so.

Response to Arguments

6. In response to applicant’s arguments “Claims 11 - 14, 25 - 26 and 29 - 30 are to a system, not to an investor or the actions of an investor. The quoted claim language recites specific functionality of the system: functionality that defines the system's interface with the investor. For instance, "means for allowing an investor to subscribe to the investment strategies" requires that the system include some structure (e.g., a networked computer running software, as described in the specification) by which the investor can subscribe to the investment strategies; the "means for permitting the investor to enter, by way of the computer network, one or more investor-defined management weights" requires that the system include some structure (e.g., a networked computer running software, as described in the specification) by which the investor can enter

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investor-defined management weights via a computer network; and so forth. The recited functionalities are clearly positive limitations that define the metes and bounds of the invention. One of ordinary skill in the art would agree that the language of claims 11 - 14, 25 - 26 and 29 - 30 is sufficiently definite to positively define the invention" the examiner respectfully disagrees. For instance "means for allowing an investor to subscribe to the investment strategies" does not necessarily mean that the investor subscribes to the investment strategies using the means provided. It is not clear as to what is the result of the "means for allowing". Hence the scope of the claim is unclear. On the other hand a limitation such as "means for subscribing to the investment strategies" clearly defines the purpose of the structure provided. Similar reasons apply to claims 31-32 also.

In response to applicant's argument "The Examiner appears to have taken the position that the claim language "means for allowing", "means for permitting" and "providing" is inherently unclear. A review of issued U.S. patents shows that this position is wholly inconsistent with common practices of the Examining Corps of the Patent Office. At least 12,849 U.S. patents have issued with claim language reciting a "means for allowing". Several examples of these patents are U.S. Patent 5,889,951; 6,336,142; and 6,820,061. Of these patents, at least 694 specifically recite a "means for allowing a user" or "means for allowing an operator", which are entirely analogous to Applicants' claimed "means for allowing an investor". At least 12,614 U.S. patents have issued with claim language reciting a "means for permitting". Several examples of these patents are U.S. Patent 5,558,582; 6,714,722; and 6,904,359. Of these patents, at least 340 recite a "means for permitting a user" or "means for permitting an operator", which are entirely analogous to Applicants' claimed "means for permitting an investor". About 71,575

issued U.S. patents include method claims that recite at least one step or act of "providing". For at least the foregoing reasons, claims 11 - 17, 19, 20 and 25 - 32 are sufficiently definite to satisfy Section 112, paragraph 2 of the Patent Statutes.", the examiner would like to point out that "it is well settled that the prosecution of one patent application does not affect the prosecution of an unrelated application." *In re McDaniel*, 293 F3d 1379, 63 USPQ2d 1462, 1468 (Fed. Cir. 2002) citing *In re Wertheim*, 541 F.2d 257, 264, 191 USPQ 90, 97 (CCPA 1976) (holding that "[i]t is immaterial in ex parte prosecution whether the same or similar claims have been allowed to others").

Applicant's other arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

7. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached at (571) 272-6777. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Dr. N. Subramanian
Primary Examiner

December 4, 2006